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# State of the University Address 2006

David A. Caputo Ph.D.  
*Pace University*

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# Building Intellectual Capital: Toward a Second Century of Innovation and *Opportunitas*


David A. Caputo, President  
Pace University



CENTENNIAL  
STATE *of the* UNIVERSITY  
ADDRESS  
2006

NEW YORK CITY  
MULTIPURPOSE ROOM  
B LEVEL  
MONDAY, MARCH 13  
2:00 P.M.

WESTCHESTER  
KESSEL CAMPUS CENTER  
GOTTESMAN ROOM  
TUESDAY, MARCH 14  
2:00 P.M.



In 2006, Pace University is celebrating the 100th anniversary of its founding by Homer and Charles Pace. At this moment in our history, our goals are to celebrate our remarkable history and our mission of *Opportunitas*; look to the future role that Pace will play in the world of higher education and in society at large; pay homage to the many people who have been part of Pace's development and achievement through its first century; and bring added recognition to Pace and enhance its reputation as an academic leader. We have built our Centennial Celebration around the theme of opportunity and its meaning for our past, present, and future.

# CENTENNIAL STATE OF THE UNIVERSITY

## Building Intellectual Capital: Toward a Second Century of Innovation and *Opportunitas*

This is a joyous occasion for Pace University—few institutions reach 100 years of age and fewer still do so while also staying true to their basic ideas and mission. Pace has always been a unique university, and this uniqueness will ensure that Pace will reach its 200th anniversary. So to all of the students, staff, faculty, graduates, and friends of Pace in the audience, congratulations on this great accomplishment. Let us all wish the University another 100 years of outstanding success.

Pace has much to be proud of—from its founding as a trade school through its growth into a leading private, multicampus university, to its continued affirmation of *Opportunitas* and innovation as the cornerstones of its existence, to the outstanding graduates it has produced and their accomplishments in accounting, business, finance, corporate leadership, law, nursing, education, computer science and information systems, and the myriad of careers followed by students in the arts and sciences.

One measure of a great university is its outstanding leadership over time. At Pace, we are particularly blessed by the leadership of Charles and Homer Pace; Robert Pace; Edward Mortola, who was responsible for building the Pace we all know today; William Sharwell; and Patricia Ewers. Consider the great names for which our schools are named—Joseph Lubin, Charles Dyson, Ivan Seidenberg, Gustave Lienhard—and we get an even greater appreciation of Pace's unique role in American higher education history. Review the list of those who have given unselfishly as trustees and you will be equally impressed. The trustees have been led by individuals of great integrity. The present chair of the trustees, Aniello A. Bianco, exemplifies that tradition in more than 30 years of continuous and outstanding service, something we can all be proud of.

As significant and noteworthy as the leadership is and was, it is also the faculty, staff, students, and alumni who have made Pace the outstanding institution it is. Each individual at each point in Pace's history has been a contributor to our success. So please join me in a round of applause for a university that has been true to its mission and will be true to its mission in the future.

### Are We Miseducating?

While I am confident about Pace's future, we all must realize that it is not assured. Wise and sustained leadership is required by all members of the Pace community. Every bit as important will be a common commitment to University goals and objectives, not those of a particular school or discipline or individual.

We recently heard President William Jefferson Clinton address a Pace audience and comment on the major uncertainties present in 1906, the year the Pace brothers opened their doors and began the long journey that brought us to today. Wouldn't it be wonderful to be able to see into the future and to know what the year 2106 brings, and how well Pace has fared in dealing with the tremendous change that will occur?

Let me give you an example of how we tend to underappreciate change and its significance. I remember a conversation with my mother as she entered her 90s. I asked her what the greatest change was that she had experienced since her birth in the early 1900s. I was sure she would say television, a medical advance, or some other new technology. She replied that it was the widespread use of electricity and all that it meant to her parents and subsequent generations. So do not assume you will be right when you speculate about the future, as the most important changes may be the ones we all fail to anticipate.

When I think about higher education, I look across the broader society. And as I look, I am struck by how massively this world is changing. In fact, I think we are well into the next industrial revolution and we barely realize it. Instant

communications and access to information have created a new world economy. This 21st-century revolution increasingly involves not just manufacturing goods, but also a greater emphasis on creating intellectual capital. And in a world that is all about change, success is all about adaptation and innovation.

Higher education is under enormous pressure to feed this change with new knowledge and superbly-prepared leaders. Yet when I think about higher education, I ask myself whether we are preparing our students as well as we should. Are we miseducating our students for the world they will be entering?

I am concerned that the answer might be “Yes.”

It is possible that Homer and Charles Pace shared this concern exactly 100 years ago when they founded the institution that became Pace University in lower Manhattan. To the west was City Hall Park. To the north, the foot of the Brooklyn Bridge. And to the south, the financial capital of the world’s fastest growing economy.

In 1906 the rapid shifts in that economy were creating new needs for skilled employees, needs that were not being met. The idea of a well-organized professional education in accounting, for instance, was innovative, even radical. Pace’s mission was something new: to create opportunity—to offer men and women a professional education to get better jobs, and in doing so, to create better and more fulfilling lives for themselves. Homer and Charles put their own money on the line for this idea, borrowing \$600 to start their innovative accounting curriculum.

## The Struggle for Mobility and Real Relevance

From a graduating class of 13 in one rented classroom their school has grown into a private university in six locations, offering more than 100 majors and degrees to help people find and launch careers. We are now a private university community of 14,000 students from 48 states and 80 countries.

The world in which we operate has been transformed, too. Change is accelerating faster than at any time in history. Information processing speeds are doubling every 24 months. Is our capacity to constructively use that information changing as rapidly? This is an important question, which we will be discussing throughout our Centennial year and beyond.

Pace downtown is still across from City Hall Park, and next to the Brooklyn Bridge, and in the midst of the financial center of the world. Pace has expanded and is a leader in Westchester County, with its White Plains, Pleasantville, and Briarcliff centers providing much-needed undergraduate and graduate courses. But after 100 years, the University’s mission of creating new opportunities remains unchanged.

Each year Pace accepts thousands of students who come to us with ambition and drive, looking for Pace to set them on a pathway to opportunity that opens not just to the elite, but to the well prepared and those with the self-discipline to succeed.

Still, as we move through the 21st century, the issue before Pace, and all of higher education, is this: Will the education we deliver continue to provide a path to opportunity? I believe the answer will be “Yes,” but I do not believe it will be automatic. A growing body of evidence suggests our time-honored ideals of meritocracy and social mobility are in trouble. There are signs we risk calcifying into a class-based society.

In 2005, about 30 percent of American public high school graduates were students of color; by 2018, about 45 percent will be. They represent the future workforce of America. However, these students are much more likely to grow up in a low-income household. These individuals are less likely to complete high school, let alone earn a college degree.

At the same time, the need for advanced education is greater than it has ever been. According to the Department of Labor, 85 percent of jobs require some form of advanced training or education and only 15 percent of jobs can be done with basic skills.

The National Association of Manufacturers tells us that if current trends continue, more than 40 percent of factory jobs will require a postsecondary education by 2012, up from 8 percent 30 years ago.

The U.S. workforce will need to fill more than two million jobs in computer science, mathematics, engineering, and the physical sciences between 2002 and 2012.

We need greater access to higher education, especially for those students who are the least likely to be able to afford it. Current trends in financial aid, along with rising costs, put us at odds with this need. We have recently witnessed Congress reducing student loan funds by a grotesquely large amount. This reduction occurred at precisely the time the need was the greatest.

I am concerned, too, that in our desire to attract students, colleges and universities may be shaping curricula to meet the narrow requirements of today's workforce when we know that jobs and the education they require will likely be very different five years from now.

It is easy to be driven by the urgency of headlines. Last year, for example, China became the world's largest exporter of high-tech products. The news triggered calls for a new type of Manhattan Project to produce more scientists and engineers.

I question whether this is the best use of resources. Will these students be learning the "right stuff" to innovate and adapt? We need to remember that progress is sparked not only by the number of thinkers but also the quality of thinking. The qualitative dimension prospers when we all have a chance to compete and develop. We need to be concerned not only about technological competitiveness, but also about our ability to create opportunity.

So I find many indications that we may, in fact, be miseducating students for tomorrow.

## Reevaluating Educational Goals

This is a tough message for those of us in the academy. As educators and citizens, we need to make sure that higher education remains an important engine of social and economic mobility. This is why I believe all of us in higher education must reevaluate how we teach, what we teach, and even where we teach in order to guarantee that higher education continues as a vital and important contributor to society. Pace must do the same.

We need to educate students so they are competitive, but in settings where they are advocating international issues that concern careers, religions, ethics, and values. Our students need to be equipped to work with colleagues from Brooklyn to Pakistan, from Westchester to West Africa, both in physical proximity and in cyberspace. And they will need to do so at speeds that double every couple of years.

I do not have a finished blueprint for the successful education of the 21st century. But I do suggest that higher education and Pace need to put more emphasis on preparing students who are fully engaged with several trends of the future. These include:

- Professional and business communities that are characterized by increasing levels of cultural, racial, and ethnic diversity.
- Technological change that in the next 10 to 15 years will revamp the very nature of business transactions and cause us to continue to change how business and commerce are done.
- Accelerated demand for highly skilled knowledge workers whose job is to produce intellectual capital and not products. Thinking will be more important than doing.
- An increasingly interdependent global community in which successful cooperation becomes as important as competitive advantage. We see this in our concern for the avian flu pandemic or in the global movement of capital and jobs.
- An increasing need for environmental concern and for strengthening, rather than weakening, our delicate ecosystem. Pace must continue its environmental law leadership, and the entire Pace community must become better stewards of the environment.
- Transformed ways of participating in democratic processes. We must do all that we can to make sure our students understand their role as public citizens in an increasingly interdependent world.

In short, students must be differently equipped to handle change, to understand who they are, and to understand who other people are and how complicated our world has become.

## Readiness, Value, and Accountability

At Pace, we are shaping our educational experience to meet these new realities. We need to do more, but in many ways, Pace is particularly well suited for these challenges. Pace benefits from its location in New York City and Westchester—surely microcosms of the emerging global economy that will incubate at least some of our future trends.

Diversity—a hallmark of tomorrow's world—is knit through the Pace experience and is part of its tradition. This is because Pace has served as an engine of social and economic mobility for successive generations of families from across the globe and every socioeconomic stratum. Diversity at Pace also has been a key feature of the curriculum. From the very beginning Homer Pace valued a broad education. And today we emphasize a mix of professional preparation and the humanities and the arts and sciences. This complexity is what makes a Pace degree so unique and so important. Students adapting to rapid changes still need a bedrock of core values and moral underpinnings. This is why programs like Project Pericles and the many out-of-classroom experiences we offer are so valuable.

But we continue to seek new ways to prepare our students. Our Seidenberg School has been a national leader in making basic literacy in information technology part of every student's basic education. And our Core Curriculum, led by our rapidly advancing Dyson College of Arts and Sciences, now requires a 3-credit course in civic engagement and public values for graduation. One of my favorite examples is a course titled Civic Engagement through Applied Statistics. It is a math course during which students work in community agencies and apply data analysis, probability, and statistical inference techniques to make decisions about education, health, money, careers, and the way they are governed.

Our effort to link Pace to the community is expressed as well in the continuing drive to ensure our students' professional readiness. We offer more than 1,000 co-op and internship placements in businesses, nonprofit institutions, and other organizations each year.

Our Lubin School is becoming increasingly international and is developing new and innovative accounting models. This is true for our Law School, the Lienhard School of Nursing, and our School of Education—all of which have been developing path-breaking programs that serve their communities and improve the quality of life.

Acutely aware that the future requires extensive opportunities for Pace students to learn in an international context, we are moving to enhance the University's international profile, as well as increase the access international students have to Pace. Accordingly, we have established several goals to be met before the end of this decade. They include:

- Having more than 15 percent of our undergraduate and graduate students participate in a substantive international experience.
- Increasing our number of international students to roughly 10 percent of the student body.
- Establishing global centers in three different geographic areas of the world that will contain teaching, administrative, and residential space. The global centers will be used to host study-abroad programs, and they will provide Pace research and learning opportunities to students of these regions as well as provide important research opportunities for our faculty.

But these are not enough—we need to think more globally and to realize that American-centric policies will not lead to the intellectual capital that must be developed. This is a challenging assumption, but if we are not successful, our students' education will suffer.

I also believe that universities need to assess, innovate, and adapt to make sure the best value is offered while attempting to control costs. This is particularly important with private institutions like Pace educating a growing percentage of low-income students.

We can anticipate costs and plan to minimize their impact on students. And we can be bolder. For example, I wonder why every college or university needs expensive physical laboratories to teach science. In an age of digital games and simulations, might the technologies of today and tomorrow produce an interactive learning experience that is just as rich at a fraction of the cost?

For innovations to meet the demands of tomorrow, we need to limit bureaucracy and regulation. Both educators and government have important roles to play here.



In higher education, innovating and adapting is a tall order. Advances of all kinds dictate new courses and programs, but it takes years to develop them. For example, it now takes two years to approve a new degree program. That is much too long in a world where we know that job requirements are changing almost completely every five years. As educators, we must find ways to try new approaches with less red tape and more discussion rather than delay.

Government must do its part by leaving educators free to innovate. This approach runs counter to current thinking about accountability, which emphasizes intervention over incentives. For instance, a federal commission examining higher education is currently pondering a national standardized test of college sophomores as a way to assess university competence. Such a one-size-fits-all approach cannot work.

Accountability is important. But new government regulation is unnecessary. To ensure accountability, Pace employs a robust self-assessment system that allocates resources to departments that achieve defined objectives. In addition, we participate in a variety of new nationwide self-assessment efforts, like the National Survey of Student Engagement and the new test being developed by the Rand Corporation. These increasingly let us compare the value we add for our students to other universities around the country and even more importantly help the Provost and the faculty in redirecting their efforts to be more successful.

I maintain that these measures of accountability, appropriate accreditation reviews, and ultimately, the accountability determined by the marketplace, are the best ways of ensuring quality in higher education.

## Our Dream, Our Mandate

Now to complete our discussion. We have talked about access, innovation, international experiences, civic engagement, emphasizing scholarship based on need, accountability based on self-assessment. To avoid miseducating students for the world they will inherit, we must keep talking about these issues. To generate that dialogue, and carry it beyond the lecture hall, everyone with a direct stake in higher education and its future—administrators, faculty and staff members, students, and alumni—has the first responsibility to take the lead.

We must keep striving to find answers. We must hold high our values: opportunity, innovation, diversity, community engagement, and internationalism. We must stay true to our dream of changing the world through education. Above all, we must realize that, as we move ahead in this new century and this new intellectual revolution, the only constant we can expect to meet is the continuing challenge of change.

I have attempted to convey to you today that Pace faces many challenges in its quest to continue to be an important and dynamic participant in tomorrow's ever-changing world of higher education. The world ahead is one where Pace will be at its best and a Pace education, thanks to the efforts of our dedicated and exceptionally well-qualified faculty and staff, will provide our students with the knowledge required to not only be successful, but also to be leaders in their fields and in their communities.

Our collective success will require clear purpose, concerted cooperation, and the willingness to be innovative while at the same time adhering to our underlying mission of *Opportunitas*. There are and will be vast opportunities available for Pace and for Pace students in the decades ahead. Our challenge is to be sure we understand that the quality of learning both in and outside the classroom will determine our success. Coupled with our renewed commitment to the communities, not just in New York City and Westchester County, but indeed around the world where we will have global centers or other programs, Pace must continue to be a major contributor to society's improvement. Not to do so would be a major error and a squandering of the intellectual and moral accomplishments our first century of existence has achieved.

So join with me and all your fellow Pace community members as we prepare not only the next generation of students and leaders, but also those who will have a direct and major impact on determining the next century and helping resolve its many challenges. These are demanding times for all of us, but for a university as strong as Pace they signify a future to be faced with confidence and vigor. Your University asks for your continued commitment and willingness to work tirelessly to educate its future students. It is time for all of us to realize that our future requires us to work together to advance the Pace dream of *Opportunitas* and to set an example for others to follow.



I am confident we will do so, and equally confident that Pace will continue to strengthen its reputation and, more important, continue its many contributions to educating tomorrow's leaders and improving our society. I, for one, look to our past to guide our future with great confidence in our collective ability to succeed. The effort will be great, the task daunting, but the goal is so important that we must all rededicate ourselves to the effort. History expects no less of us. Let us rise to meet the challenges confident and united.

Happy 100th Birthday, Pace!

NOTE: For an update on the University's goals articulated in recent State of the University addresses, please see the University's Web site at [www.pace.edu/stateoftheuniversity](http://www.pace.edu/stateoftheuniversity).

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